

Opinion

## **GUEST OPINION: Michigan needs real reforms in running state government**

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By SARAH HUBBARD

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As our state leaders begin to lay out 2011 budget recommendations and engage in the debates and discussions of how to fund our multi-billion dollar state needs, Michigan's business community is speaking with one voice in our call for serious, significant, structural reform of state government to pull Michigan out of its chronic fiscal crisis.

Michigan's business organizations representing employers and employees — large and small — across the state are uniting to demand that this moment of crisis be turned into an opportunity to reform and revitalize Michigan. Simply passing another budget that patches together what is left of Michigan's finances for a year or two is failure. Michigan's business leaders insist that the state's elected leaders go beyond the bare minimum of their constitutional responsibilities.

Business groups working together behind a reform agenda represent businesses from all areas of the state in all industries and of every size, including general business organizations.

Involved are not just the Detroit Regional Chamber but nearly every other statewide business and trade organization.

Recently, Senate Majority Leader Mike Bishop, R-Rochester, and his caucus unveiled a comprehensive package of meaningful reforms and we applaud the leadership they have taken in starting us in the right direction.

We hope that Senators will quickly consider and pass their ideas to the House. The sooner these bills are implemented, the sooner we will begin to realize savings.

For this year's budget process to be considered anything other than a failure, state leaders must enact structural reform that revolutionizes the way the state performs its core functions.

The business community has proposed numerous reforms that lawmakers should consider to ensure that state government runs as efficiently as possible.

None of the reforms will independently solve the current budget crisis.

In fact, many are long-term reforms that may take several years to produce significant savings.

Broad areas of focus include: public employee benefits; elimination of government fraud and waste; providing local governments flexibility to save money without unfunded state mandates; elimination of overlapping duties and functions; privatization and competitive bidding; reduction of governmental units; and reduction of overspending in various areas of our corrections system.

We understand that none of the reforms will be easy — there will be initial resistance.

But this can't be put off any longer — further resistance to fixing Michigan's underlying chronic structural deficit only exacerbates the size of the state's spending to revenue gap, especially with no federal stimulus money to help.

We support what Bishop is attempting to do with this year's budget negotiations.

Speaker Andy Dillon, D-Redford and Gov. Jennifer Granholm have proposed some spending reforms as well.

We hope they will work together to pass these proposals very soon.

The worst thing that could happen right now would be for the Legislature to do nothing.

Sarah Hubbard is senior vice president of government relations for the Detroit Regional Chamber, which is part of a state coalition urging the Legislature to structurally reform the state budget.

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